Existing Policy of Power Distribution

2872. SHRI A. VIJAYA RAGHVAN : Will the Minister of POWER be pleased to state :

(a) whether the Central Government have taken any decision to change the existing pattern of distribution of power produced by the central pool;

(b) if so, the details thereof;

(c) the benefit to the people because of such a change; and

(d) the reason for changing the existing policy?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA) : (a) to (c) It has been decided to treat the present "Gadgil Formula" for allocation of the power to the States/UTs as "guidelines" for new Central generating stations under which the reforming states would get weightage in alloction of power from 15% unallocated quota from Central power stations and also from new power projects.

(d) The formula was evolved at a time when the power sector served almost fully by the public sector. With Independent Power Producers entering the power industry, the operational environment of the power sector changing very fast and the role of Central Government being substantially reduced, the allocation of the share from new Central power projects to the beneficiary States has lost its original meaning. In recent times, allocation of power from the new projects tends to be guided by necessity and capacity to pay more than any other factor. In the context of cash and carry scheme and pressure of financial institutions on the utilities to recover their dues, the factors which have gained predominance over others are the necessity and financial capability of bulk consumers.

Electricity Reforms

2873. SHRI ABANI ROY : Will the Minister of POWER be pleased to state :

(a) whether the Central Government propose dismantle all the SEBs and to make electricity reforms mandatory for all States;

(b) if so, whether the subsidies on power would be phased out across the board;

(c) wether the powers of the CEA would be curtailed to strengthen the Central and state Regulatory Commission; and

(d) if so the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA) : (a) to (d) Governemnt of India has taken proactive role in reforming State Electricity Boards so that they function on commmercial lines. Power Ministers' Conference held on 26-2-2000 resolved that reforms must be undertaken with determination, vigor and sense of urgency. The key elements of Reforms Strategry are :—

(i) Energy audit at all levels;

(ii) Time bound programme of 100% metering of all consumers by December, 2001;

(iii) Reduction and finally, elimination of the power theft within a specified time frame.

(iv) Strengthening/upgradation of sub-transmission and distribution system by taking sub-station as a limit on a priority basis.

If above appears unattainable in the existing set up corporatisation/ cooperatisation/privatisation of distribution would have to be undertaken.

The Electricity Regulatory Commissions Act, 1998 was enacted with the objective, inter alia, of creation of regulatory commissions at the Centre and in the States, transparent policies on subsidies etc. The Act provides that if the State Government wants to provide funds subsidy to any class of consumers, it has to provide funds for grant of such subsidy in the manner as directed by the SERC.

Consequent on the creation of the regulatory commission at the Centre and in the states, the powers of tariff fixation and other related matters, hitherto exercised by the Central Government in consultation with CEA or by the State Governments/SEBs, as the case may be, are being excercised by these commissions.

The Minstry of the power had asked the National Council of Applied Economic Research (NCAER) as a Consultant, to suggest legislative changes it considered necessary to accelerate the reforms process. the NCAER has submitted a draft Electricity Bill to replace the existing three electricity laws [The Indian Electricity Act, 1910, The Electricity (Supply) Act, 1948, The Electricity Regulatory Commissions Act, 1998].

The Draft Electricity Bill, 2000 as submitted by the NCAER has been circulated to all concerned including the State Governements for their comments. Detailed discussions have been held with States, State Electricity Boards, Regulatory Commission, Experts, Chambers of Commerce and Private Utilities. The NCAER have since revised the draft in the light of the discussions and comments. The revised draft is now being discussed with concerned stake-holders.

Raichur Thermal Power Station in Karnataka

2874. SHRI K. C. KONDAIAH : Will the Minister of POWER be pleased to state :

(a) whether the Government have declared Raichur Thermal Power Station in Karnataka as a hazardous unit;

(b) if so, the reason therefore; and

(c) the measures taken or proposed to be taken to prevent emergencies at the above station?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA) : (a) and (b) Yes, Sir. Raichur Thermal Power Station (RTPS) has been declared as hazardous units due to requirement of storage of chlorine beyond 10 tonnes. Given the fact that RTPS consumes 8 tonnes of chlorine per week and chlorine is transported all the way from Rayalseema in Andhra Pradesh, the transportation time is 6-7 days and hence RTPS needs to have storage of chlorine not less than 10 tonnes.

(c) The Government of Karnataka has constituted a district crisis group to review the safety aspects. At Raichur thermal power station, neutralising water tanks and scrubber system are provided as emergerncy measure for arresting any leakage of chlorine gas.